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GOLD, SILVER
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COINAGE OF THE SILVER DOLLAR.

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GOLD, SILVER
AND THE
COINAGE OF THE SILVER DOLLAR.

BY
CHAUNCEY P. WILLIAMS.

ALBANY.
WEED, PARSONS AND COMPANY, PRINTERS.
1886.

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v. 20

The pages which follow were read in May last before the Albany Institute. Friends have regarded the argument and views presented of sufficient value to urge their publication. It is hoped they may contribute somewhat to the elucidation of the silver problem, in which our country and the world have a transcendent interest.

C. P. WILLIAMS.

ALBANY, N. Y., *November*, 1886.

GOLD, SILVER AND THE COINAGE OF THE SILVER DOLLAR.

From the early ages of mankind, before written history or authentic legend give us any insight into the habits and customs of our ancestors, it is evident that gold and silver were used as money. Employed by common consent as the means of the exchange of objects of desire, these metals thus became the objects of universal desire and value. It is probable even that the coinage of gold and silver preceded the use of letters, as the earliest coins are destitute of letters, while the earliest writings known invariably allude to money.*

Gold and silver have been known and used as money by every people above the level of barbarism since the dawn of civilization. There would seem to be something natural, therefore, in their use as money. In every civilized country they have been used together—that is, *concurrently*, as money. While useful and important for a great variety of other service, their chief use and value has been and is as money.

The relative value of gold and silver to each other during the world's history has greatly varied.† The Code of Manu prescribed it at 2 1-2 to 1. The early Egyptians held the two metals at 3 or 4 to 1. Between the fifth and sixth centuries, B. C., the current relative value for the world, excepting India, was 6 or 8 to 1.‡ From the period of Xenophon, in Greece, 350 B. C., and for about 500 years of the Roman dominance of the civilized world, the general rate of about 10 to 1 prevailed. The rates were, at times, and in some countries, considerably varied, by both higher and lower relative values. On Caesar's return from his conquest of Gaul, B. C. 51, the amount of captured treasure, in gold, brought by him to Rome, reduced the ratio to 7 1-2 to 1.§ In the time of Theodosius the Younger, 413 A. D., the rate had risen to 18 to 1.|| These variations, however, appear to have been comparatively temporary; the general progress being to a gradual widening of the relative value. From the ninth to the middle of the sixteenth century, the prevailing rates were about 11 and 12 to

*Del Mar, History of Money, p. 15.

†Some writers hold that silver and even iron, at some ages, and in some countries, have been held in higher estimation than gold. It is said there are, in the museum, at Copenhagen, samples of implements or weapons made of gold and edged with iron, which seems to substantiate this opinion.

‡Fawceter. Remarks on the Production of the Precious Metals. London, 1883. p. 11.

§Lord Liverpool. Letter to the King. London, 1880. p. 285.

||Fawceter, p. 12.

1.* After the opening of the mines of Potosi, about 1545, the preponderance of silver became so great as still further to widen the difference by gradual appreciation to 14 and 15 to 1, which rates were held up to about the close of the last century. In 1791, Hamilton, after careful study of the subject, recommended congress to establish or coinage at the rates of 15 to 1 in the coinage of the United States, which was done; and these rates remained our legal valuation of the two metals, until 1834.

In 1803, France established her mint ratio at 15.5 to 1, with free coinage, which rates became those of most of the States of Europe; and they became the basis of the international compact called the Latin Union, formed in 1865. France had kept her mints open to the coinage of both metals for seventy years, at these rates, very greatly to the benefit of the world's commerce, no doubt, in the steadiness of value which was thereby given to both the money metals as measures of value. By the formation of the Latin Union it was sought to perpetuate the benefits of the free coinage of both metals.

England had, in 1816, established for herself the single gold standard, using silver only as a subsidiary coinage. England's great colony, India, had (as she always had) an exclusively silver standard. London became the chief mart of the world, where silver was sold and bought *at a price*. That price, however, fluctuated within extremely narrow limits, owing to the fact that the free coinage of France offered to all holders her mint terms of 15.5 to 1, for either metal.

The fall of Sedan, in 1870, and the capitulation of Paris to the German army cost France two of her richest provinces, and a thousand million dollars gold values, as ransom. Germany, with full coffers, resolved to reform her monetary system and to adopt the single gold standard in place of her previous standard of silver. This led her in 1876 to throw upon the market immense amounts of silver, the old stock in circulation, which the government had redeemed with the purpose of clearing up the silver coinage. France, moved no doubt by recalcitrant quite human under the circumstances, closed her mint to the coinage of silver; which action was followed by all the States of the Latin Union. The mints of the United States were already closed against the free coinage of silver, by the Coinage Act of February 12, 1873. There was therefore no bi-metallic nation with mints open to the coinage of silver, from which Germany could procure gold in exchange for it. No other resource was open but the London market. The only customer of the London market was that great absorbent of all surplus silver for ages—the Orient. But the supply exceeded the demand, and the price declined in consequence. From about 60d per ounce of pure silver as its usual value, the price, in 1874, ran down to 57½d; in 1875, to 55½d; and in 1876, to 46½d—thus in four years showing a loss of more than one-fifth of its usual value.

The commercial world was agitated by the threatened revulsion. Europe was alarmed. Germany slackened, and finally suspended her silver sales. Brother Jonathan, with his eye to the "*main chance*," looked about to see if the situation could not be in some manner turned to his advantage.

* Fawceter, p. 13. See, also, Vaughan, Coins and Coinage.

Two parties in the country were especially concerned in the issue. The Greenback party had been and were active and noisy in the claim that the national bonds could justly be *paid* in bits of printed paper declaring that they were each \$100 or \$1,000 more or less, and that it was the height of impudence and injustice on the part of the public creditor to demand any thing better. The large interest in the country connected with silver mining felt severely the decline in silver, affecting seriously their revenues. The Greenback party was able to see the clear indications of defeat casting its shadow upon their hopes, in the general progress of the country in preparation for the resumption of specie payments. The silver mining interests were easily led to conclude that if the "Dollar of the Fathers" could be minted without limit, it would aid much their silver enterprises and afford them a sure market at a stable price. What more natural than that these two forces should join in advocacy of the dollar coinage? Here, under the semblance of patriotism, the grudge and envy of the one, and the cupidity of the other, were each promised gratification. Hence the crusade of 1876 to 1878, for the restoration of the "Dollar of the Fathers."

A little digression will here be pardoned, to pay our respects to the Dollar of the Fathers. The United States silver dollar was authorized by the act of April, 1792, establishing the mint. It contained the precise *quantity* of pure silver as the dollar now coined under the act of 1878.* But when we are truthfully told that prior to the recoinage act of February 28, 1878, during eighty-six years, the total coinage of such dollar counted only to \$8,045,838;—a sum insufficient, if the whole eighty-six years' product is put together, to pay off a single ten million U. S. bond call—that over \$3,567,000 of this sum was coined during the suspension of specie payment, and only three or four years prior to 1873, to answer the call of owners of silver to ship the dollars to China, and that since 1834, our rates of coinage have been such as to offer a premium of 3 1-5 per cent for the export of these dollars to the mints of the Latin Union; our veneration for the "Dollar of the Fathers," is somewhat abated. The fact seems to be that the dollar went into the melting pot for silver-plate, or into cabinets of coins, or was exported about as fast as coined. And it may truthfully be said never to have been a part of the circulation of the country.†

The statement was made in 1877 or '8, during the discussions upon the restoration of the dollar, that intelligent merchants of fifty years of age could be found, who had spent their whole lives in business, and handling money every day, who had never seen an American Silver Dollar, and did not know the coin. I have no doubt of the truth of the statement, from my own knowledge and experience of business during the time.

So much for the Dollar of our Fathers! We will now consider the Dollar of the Sons!

* 371½ grains Troy.

† "The coin did not pass into circulation, but was chiefly used as a convenient portion of silver in the laboratory of the metallurgist, or was hoarded as an object of curiosity." J. J. Knox, Report of Comptroller of the Currency, 1875, p. liv.

The coinage act of 1853, depreciating the weight, and limiting the legal-tender power of the fractional silver coinage, practically established the gold standard. This act left the silver dollar standing in the statutes precisely as it had done. While it so existed in the statutes as the legal potency of a dollar, it was wholly dormant. Prof. Laughlin, in his recent history of bi-metalism,* gives the reason as follows:

"At no time after the act of 1853, until the Civil War, was the silver dollar of 412 1-2 grains, equal to less than 103 or 104 cents of our gold coins, and it was, consequently, never seen in circulation. The country had willingly acquiesced in the practical adoption of the gold standard, and so well did the situation satisfy all demands that the question of gold and silver dropped out of the public mind."

It may be well for us to bear in mind that prior to 1853, the total coinage of the dollar during the sixty years of operation of the mint up to that date, had been only two and a half millions of the coins.†

All merchants and bankers, whose recollection goes back to that period, will remember that, from 1862 to 1879, during greenback times, any dealings in specie, in any manner, was in terms of gold. Gold was the subject of purchase and sale in Wall street, and the "Gold room" and "Gold market" and "Gold premium" and price were subjects of daily paragraphs in the public journals, and of daily and hourly quotations by telegraphic wire throughout the country. Nobody would have thought of delivering *silver dollars*, or of having them accepted in filling a sale of such coin.

In view of this history, Congress, by the act of 1873, reorganizing the mint, and bringing into one act the several statutes on coinage, after long and careful deliberation, decided to drop out the silver dollar from the future coinage of the mint. But, recognizing the fact that a full-weight silver dollar was needed in the China and East India trade, the act authorized the *Trade Dollar* of 420 grains; the legal-tender potency of this coin was limited to five dollars.‡

Meanwhile the silver mining interest of the west was gaining large influence and wealth. The Comstock lode was being developed; its actual production of silver was large, and its promise for the future still larger.§ The producers, finding the coinage of the standard dollar ceased against them, and the London silver market depreciating, employed the mint in coining the Trade dollar. About thirty-six millions were coined between 1873 and 1877, as had been generally supposed, for shipment to China. But, about 1876 or '7, the appreciating value of the greenback note, as the period for resumption approached, was found to give the silver miners a little better price for their silver in exchanging the Trade dollar for them at par, than they

* History of Bi-Metalism in the United States, by J. Lawrence Laughlin, Ph. D. 8 V. p. 257. New York, 1886, p. 86.

† Exactly \$2,506,890. See U. S. Mint Reports, for 1886, p. 113.

‡ Laws of U. S., vol. 17, p. 424. Act 12th of February, 1873, § 15.

§ The Comstock lode, in 1877, produced \$87,062,252 of the precious metals. O. R. Country, by Rev. Josiah Strong, p. 25. In 1878, the product was \$47,076,863. United States Mint Report, 1879, p. 17. About one-third of these amounts was gold, and two-thirds, silver.

could get in the London market. Consequently, as specie resumption arrived, the country was found to be flooded with the Trade dollar. The special China dollar had either never gone there, or had evidently returned.

The Secretary of the Treasury, as he was authorized by law* to do, finding this illegitimate and fraudulent use being made of the Trade dollar, restricted and later ordered the discontinuance of its coinage.†

Finding the outlet for silver closed to them except through the London market, which was showing constantly receding figures for it, owing to the pressure of the mass of German silver‡ offering and known to be coming, there was a sudden awakening to the enormity of the demonetization of the standard silver dollar—the "Dollar of the Fathers"!

All remember the pious horror with which the advocates of silver waked up to the fact that the coinage of the dollar had been legally discontinued!—how freely and persistently the charge of surreptitious and fraudulent passage of the act was made! Yet, so far is it from the truth that any facts exist to justify this charge—the facts all prove the contrary. Scarcely in the history of our country has an act of Congress been adopted with so much deliberation, and evident aim to give full scope to every objection which might be brought against the measure.

The bill was drawn in 1869, by Mr. Knox, then deputy comptroller of the currency. It was sent with a report accompanying it, stating and explaining its provisions, and especially calling attention to the fact that it proposed the discontinuance of the dollar coin, to the officers of the Treasury and each of the mints, and also to a large number of gentlemen whose studies and occupations were supposed to render them peculiarly fitted to advise upon such subjects, asking their criticism. Some thirty replies were received.

The reports of the Secretary of the Treasury for 1870, 1871 and 1872—three years, called the special attention of Congress to the bill. It was reported favorably in both the Senate and the House in the Forty-first Congress, and was fully debated in both houses. It passed the Senate by a vote of 36 to 14.

Not becoming a law in the Forty-first Congress it was introduced into the Forty-second. Mr. W. D. Kelley, of Pennsylvania, was chairman of the House committee on coinage of both the Forty-first and Forty-second Congress. In introducing the bill to the Forty-second Congress, he said it had "scented as careful attention as I have ever known a committee to bestow on any measure."

The bill was thus fully debated in both Houses of both Congresses,—on several occasions occupying two days together. It was printed for

* By Act of 23d of July, 1876, § 2.

† Laughlin, p. 209.

‡ It seems foolish and weak to claim that the fact of the United States having closed the coinage of the silver dollar should have exerted any influence whatever upon the world's markets for silver. The entire sum coined from the foundation of the government, if it could all have been gathered in one mass, would amount to hardly an appreciable fraction of the world's stock.

the use of Congress no less than eleven times and twice farther in reports of the comptroller of the currency. The fact of its dropping the coinage of the silver dollar was frequently alluded to in debate, but no member of Congress expressed dissent.* It passed in the House of Representatives with but thirteen negative votes on the 27th of May, 1872. It was not passed in the Senate until the 17th of January, 1873, and then with some amendment not concurred in by the House which led to a committee of conference, and its final passage was delayed until the 12th of February, 1873—nearly nine months after its second passage in the House, and after having been before Congress for three years.†

Notwithstanding the complete and overwhelming refutation which the facts give to the charge of surreptitious and secret passage of this act, the charge is still repeated and is widely believed. So intelligent and able a writer as Judge Robert W. Hughes, of the United States District Court of Virginia, in a recent work on the silver question says:

"When passed the act was not read except by its title, and it is notorious that this transcendent change in the money system of the country, affecting its most vital interests, was carried through Congress without the knowledge or observation of the country."‡

It has become the custom of the advocates of the continued coinage of the silver dollar to claim for silver that its value has not fallen, but that gold has risen, as the reason of the largely widened difference in value of the two metals. Judge Hughes, in his pamphlet before referred to, takes the lead in what he presents as proof of this assumption. He produces a list of some seventy staple articles of commerce with their prices in 1870 and in 1884, and shows a depreciation in the latter year as compared with the former of twenty-six per cent. The judge assumes from this showing that his proposition is proved, and says: "This table shows a fall compared with gold of twenty-six per cent.‡ Thus it is plain that silver and general prices have remained on the same level; gold having risen."

"Who will pretend that there has been any such real destruction of values as these tables indicate? It is obvious that the fall in prices denoted by them is in the main but relative, and is absolute to but a partial extent. It is the standard that has been increased. It is gold that has undergone a change of value and has risen by eighteen or twenty per cent. By what means and for what purpose this increase in its value and the resultant tax imposed upon all mankind who owe

* The bill was frequently considered by the Finance Committee of the Senate and the Coinage Committee of the House, during five different sessions of Congress. It was repeatedly read in full in both Houses. The debates upon it in the Senate occupied sixty-six columns of the Congressional Globe, and those in the House seventy-eight columns. H. V. Poor, Resumption and the Silver Question, p. 121. See also Upton's Money in Politics, p. 207, etc.

† For full history of the origin and the action of Congress upon the bill which became the Coinage Act of the 12th of February, 1873, see report of the Comptroller of the Currency for 1876, pp. 23-55, and pp. 160-165.

‡ The American Dollar. By Robt. W. Hughes, Richmond, Va., p. 74.

§ *Ib.*, pp. 50, 51.

|| *Ib.*, pp. 51-2.

debts, own property, or live by wages has been effected, is a subject for the indignant reflections of the reader."*

I have quoted the judge, because I observe he makes an argument which is followed by many members of Congress in their speeches and by many writers on the question.†

If Judge Hughes had studied his subject closer, probably he might not have made up his judgment with but half the testimony before him.

That the general prices of commodities and service—of all things purchasable with money, are to be taken as the criterion of its value—of its purchasing power—is admitted. But such prices must be taken with due allowance for adventitious circumstances and conditions affecting them at the times of comparison. To illustrate—a comparison of the market price of a given quantity of planed and matched floor boards, or of neatly wrought mouldings to-day, with the prices of the same articles before the invention of the Woodworth planing machine, would give us no just conception of the relative value or purchasing power of the money in which prices are stated at the two different periods.

So in the case of the cost of pins. The market prices at periods before and after the invention of the ingenious machine, by the use of which one man performed the labor theretofore performed by sixty men in making an equal quantity of pins, or of the price of hooks and eyes before and after the introduction of that other machine, invented in Massachusetts about 1815, by the employment of which the wholesale price was reduced from \$1.50 to fifteen cents per gross in a few years. In neither of these cases would the market prices of the product at the two periods stated give us any true criterion of the value of the money in which the prices are stated at those periods.

The prices of steel and the products of steel at periods before and after the discovery of Sir Henry Bessemer, might furnish us with another illustration, and so we might go through the whole list of the products of industry, into the production of which invention of improved processes or of machinery have entered to aid the efficiency of human labor.

It would be manifest in the cases stated that actually cheapened cost of production would much more rationally account for reduced prices, than to attribute the change to the enhancement of the value of the money in which the prices are expressed.

Another thought will occur to us, namely, that concurrently, and very likely as the direct result of these cheapened cost and prices of the

* Mulhall, in his price level of the world's commerce from 1860 to 1885, makes the total commerce for 1873, \$1,285,000,000; for 1883, \$1,883,000,000. For the United States, 1873, \$307,000,000; 1883, \$328,000,000. Price level for 1873, for the United States, 100; for the world, 103; for 1883, for the United States, 91, for the world 81. That is, between 1873 and 1883 he shows a general decline of the world of twenty-two per cent; of the United States of nine per cent. Mulhall, History of Prices, pp. 155-6.

† Judge Hughes is followed in this line of argument by Mr. Beck in the Senate and by Mr. Reagan, Mr. Symmes, Mr. Warner and others in the House. Mr. Warner puts the depreciation of average commodities as high as fifty per cent, which is clearly excessive. Others quote somewhat of English authority to the general average depreciation of about twenty to twenty-five per cent decline.

products stated, the wages of labor engaged in their production might not decline, but very materially advance. And this also we find to accord with the observed facts.

Judge Hughes and the members of Congress who follow in his wake, although they refer in eloquent terms to those who live by the wages of labor, do not anywhere, that I have been able to find, quote the wages of labor, either as a component part of their tables of prices, or separately, in the maintenance of their claims, that it is gold which has risen and not silver which has fallen, that has produced the gap between the two.

The wages of labor are regarded by all the standard writers upon Political Economy as a more reliable criterion of values than gold and silver or the prices of commodities.* By this criterion it will be shown that during the past twelve or fifteen years, during which silver has been receding in market-value, gold has just about held the even tenor of its way, in purchasing power.

There are difficulties in comparing prices for single years, and for periods not far distant from each other. Adventitious and accidental circumstances may affect prices, though having no relation to the currency in which they are expressed. The only reliable test would be to take the average of a considerable number of years and at periods considerably apart.

I propose to show, first, that notwithstanding the general decline in the prices of commodities, the wages of labor have considerably advanced in the past thirty years, and held their own during the past fifteen years; and second, that the decline in commodities is accounted for by other causes, so as to leave no room to attribute it to the depreciating value of the money with which their value is measured.

First, as to the wages of labor.

The most complete statistics of labor for our own country, available to us, are those of the Massachusetts Bureau of Statistics of Labor. I quote from the Report of Hon. Carroll D. Wright, Chief of the Bureau, August, 1885:

"Wages in Massachusetts are 28.36 per cent higher than they were in 1860." Wright's Report, 1885, p. 144.

"Wages in Great Britain are 9.64 per cent higher than they were in 1872." *Ib.*

In Mr. Wright's table of comparative wages for employees in all industries, in Massachusetts, from 1860 to 1883, in twenty-five industries, comprising all for which he gives the wages for both 1860 and 1883, the wages paid in 1883 average 11.8 per cent over those paid

* Adam Smith says: "Labor * * * is the only universal, as well as the only accurate measure of value, or the only standard by which we can compare the values of different commodities, at all times and at all places." *Wealth of Nations*, London, 1796, 3 vols. Vol. 1, p. 54.

"The wages of a day-laborer are the best criterion of value." Thomas Tooke, as quoted by Mulhall. *History of Prices*, p. 190.

"But there is only one thing from whence we may certainly track out the prices, and which carries with it a constant resultant of the prices of all things which are necessary for man's life, and that is the price of laborers and servants' wages, especially those of the meaner sort." Vaughan, *Coins and Coinage*, p. 107. Written about 1630.

in 1860. In the same table the wages for the common laborer for 1860 are not given; nor are they given for 1873. But for 1874 they are given at \$8.07 as the weekly average, and for 1883 at \$13.37 as the weekly average; showing an advance of 65.6 per cent. See Report, pp. 132-3.

In the same table, Mr. Wright gives us comparative average prices of wages in all industries in Massachusetts in 1872 with those paid in 1883, which shows a decline of 14.8 per cent in the average for 1883. Now, in 1872, gold was at an average premium of 12.5 per cent for the year, showing prices were that much inflated from irredeemable currency. Allowing for which, the average for 1872 shows but 2.3 per cent ahead. But 1872 was a year of exceptionally high prices, aside from gold premium, which was, doubtless, reflected in wages.

If we take 1874, as wages are stated in Mr. Wright's tables, for a further comparison with 1883 (1873 not being given in these tables), the difference in the average wages for that year, over 1883, shows 2.95 per cent highest for 1874. But as the premium on gold averaged 11 per cent for 1874, allowing for that inflation, we show 8.05 per cent for 1883 over 1874, and a resultant total advance from 1872-1874 to 1883, of over six per cent in wages.

Of course, if we go further back, to 1830 or 1850, we show much wider difference and larger advance, but I have chosen to confine myself as near as possible to the years Judge Hughes selects for his supposed demonstration, and to show its fallacy.

Mr. Wright says:

"In the ninety industries in Massachusetts and Great Britain, supplying statistics of average weekly wages, for the period between the years 1860 and 1883, the wages of at least 1,250,000 employees are represented." Report, p. 137.

In concluding his report he says:

"As a rule, wages show an upward tendency from the earliest recorded period (meaning between 1752 and the present) to the present time, the progress being broken at certain intervals, as relates to certain industries, by fluctuations, temporary only, and, therefore, not materially affecting the onward current." Report, p. 463.

To similar effect is the testimony of Mulhall, the distinguished London statistician, as to labor in Europe. He says:

"The workman, in Europe, can now buy 140 pounds of bread with the same labor as seventy-seven pounds, in the decade ending 1850." *History of Prices*,* p. 35.

This shows a gain to the laborer of 83 per cent, and is, doubtless, divided between advanced wages, and cheaper bread.

The advance in wages of labor, has been 50 per cent in Europe and 43 per cent in the United States since 1850. See *Ib.* pp. 125, 128.

"Agricultural wages have risen 90 per cent, while those of artisans and mechanics only 50 per cent since 1850." Mulhall's *Prices*, p. 129.

But this is sufficient on the wages of labor. Let us now consider other causes producing decline in prices of commodities.

"Whenever, without additional fatigue to the laborer, means are devised to double the quantity of work he can perform, the ratio of his

* *History of Prices*, since the year 1850, by Michael G. Mulhall. London, 1885.

daily gains is not reduced, although his product is sold at a lower price." J. B. Say, *Political Economy*. Gregg & Elliot, Philadelphia, 1837, p. 303.

"The tendency of all scientific discoveries and improvements is to cheapness." Newmarch, as quoted by Muhlhall, p. 135.

"The industrial power of nations, between hand, horse and steam is now 802 foot-tons per inhabitant, against 527 in 1850; and, consequently, five men perform as much work as eight could thirty years ago. This involves a saving of 40 per cent in labor since 1850, which necessitates a fall of 13 per cent in price of commodities, unless counteracted by other causes.

"Steam and machinery powerfully aid each other in economizing labor and in reducing prices to a lower level." Muhlhall's Prices, p. 57.

Railways have reduced land carriage, in Europe, to one-sixth the previous charges, thus saving fifty shillings per ton. The saving is equal to a reduction of 9 per cent in value or price (cost) of commodities in general.

Railway freight charges in Great Britain are 17 per cent over the average of the Continent, and more than double those of the United States.

"The goods traffic of the world sums up four million tons daily, carried 100 miles, against four hundred thousand tons in 1850. An increase ten times.

"Telegraphs have exercised a lesser, but an unquestionable effect, to ward the fall in prices, in enabling merchants to work with less capital; to keep smaller stocks of commodities and to turn over their money oftener." Muhlhall's History of Prices, pp. 50, 51.

Although the ratio of rural population has declined in both Europe and America, the area under tillage has risen 50 per cent since 1850, in consequence of machinery displacing hand labor, and the weight of crops in proportion. A farm laborer in the United States raises as much grain as four able-bodied French or Germans, or six Russians or Spaniards. Muhlhall's Prices, pp. 79 and 85.

American labor is much more productive than that of any other country for these reasons: First, because the ratio of able-bodied men among the operatives is larger. Second, because machinery is brought to greater perfection and more universally used than in Europe. Third, because "protective" duties give an artificial value to those products in need for home consumption. *Ib.*, pp. 127-8.

At Newburyport, in hosiery weaving, by the use of the power stocking-loom, the capacity of the female operative was increased ten times (about 1830). Wright's Report, p. 177.

In 1833, a weaver fifteen years of age, with a young assistant, could perform nine times as much work in a given time as could be performed by a man in 1803. Merrimac prints, which in 1825 averaged 25.07 cents per yard at the factory, declined to 16.36 cents by 1830.* The

* Merrimac prints sold later as follows, viz.:

In	1847	at	11	cents.
"	1850	"	10	"
"	1871	"	11 1-2	"
"	1879	"	6	"
"	1880	"	7	"
"	1886	"	5 1-4	"

H. B. Claflin & Co., Letter. March, 1886.

cotton cloth made at Waltham, a staple article, sold as follows in the years succeeding the introduction of the power-loom, viz.:

In	1816	at	30	cents.
"	1819	"	21	"
"	1826	"	13	"
"	1829	"	8 1-2	"
"	1843	"	6 1-2	"

Wright's Reports, p. 177.

From 1850 to 1880 there was an increase of 75 per cent in the value of the product per operative in the cotton manufacture of the New England States. The increase in pounds of product, since 1831, per operative, was 145 per cent.

There was in the same industries, from 1831 to 1880, an average increase in the wages of employees of 97 per cent, and in same time a decrease in the hours of daily labor of 12 per cent. Also, in same time, a decline in prices of heavy sheetings, of 11.8 per cent, and in printed calicoes of 58.8 per cent. Wright's Report, pp. 186-7, 8.

There was, concurrently during the same period, an advance of 97 per cent in wages of employees, a shortening of their hours of labor, 12 per cent; and an average decline of price of goods produced, of 35 per cent.

Steam power in Europe and the United States, is increasing 30,000 horse-power weekly, and hence further economy of labor and another fall in prices.

In 1880, 5,000,000 sewing machines were at work, doing the work of 60,000,000 sewing women with the needle.

There were also 3,100 Boston boot-making machines turning out yearly 150,000,000 pairs of boots and shoes.* Muhlhall's Prices, pp. 56, 57.

Sea-going freights since 1861, have declined thirty-three and one-third per cent — equal to reduction of five per cent in the cost of all merchandise. The general price level of 1884 being fifteen per cent lower than the said twenty years, we find that one-third the so-called depression in trade is simply an economy in freight. *Ib.*, p. 41.

"Steel is now produced at one-third the cost of twenty years ago." — *Ib.*, p. 70.

Pig iron, by a saving of thirty-three per cent in coal since 1857, is reduced eleven per cent in cost of production.

Copper ores are worked at a saving of fourteen per cent.

Petroleum which now stands for seven per cent of the total value of mining products of the world, has fallen eighty per cent in prices in twenty years. Muhlhall, p. 77.

An economy of thirty-three per cent in the whole range of hardware merchandise has powerfully contributed to the present lower price-level among nations, which is erroneously called trade depression. *Ib.*, p. 136.

But I forbear further evidence to show that declining prices of

* The machine enabling one man to make 300 pairs of boots daily. Muhlhall, Dictionary of Statistics, art. Boots, p. 55.

commodities alone cannot be relied upon to prove that the money medium in which they are valued is appreciating. It is manifest to the reflecting mind that every invention by which human labor is relieved and aided — every machine which enables one man to do the work of two or more in a given industry — every improved process or manipulation in manufacture — every new means of harnessing nature's forces in aid of productive industry, tends to cheapening the cost of production, and that cheapened cost must be reflected in the prices of commodities. With the world's advance in invention, in the application of steam and electricity to the work of production, and the circulation of intelligence in the last twenty-five, or even the last fifteen years, a large reduction in the general price-level of commerce must be expected.*

I think it demonstrated therefore that the verdict upon the claim of our friends, the advocates of continued coinage of the dollar, that the wide and widening difference in the commercial value of silver and gold bullion is not in the depreciation of silver, but in the appreciation of gold, must be entered as *not proven*. Facts seem clearly to prove the opposite. See Appendix.

Although the proof fails to show appreciation of the money measure of values as claimed for the past twelve or fifteen years, nothing in his story is clearer than that the converse is true, if we go back for any considerably long term in the past, since the middle ages. All writers of repute upon political economy admit the very large depreciation in the value of the precious metals as measured by their purchasing power in commodities or service in the past five or six hundred years.

The following facts as to prices in the olden time taken from authentic sources will abundantly establish this.

In 1253 A. D., wheat sold at 2s 6d per quarter (3½d per bushel). "In 1272 a laborer got 1½d per day; a harvest man 2d. In 1253, brewers sold three gallons of beer for one penny. In 1241 the king paid 18s 4d for thirty-seven sheep" (not quite 6d each).

In 1300, wheat and barley brought 3s 4d, and oats 1s 8d per quarter (wheat 5d, and oats 2½d per bushel). "A cow 6s; a fat sheep 1s; a hen 1½d, and a pair of shoes 4d. Labor from 1½ to 2d per day."

In 1314, Parliament fixed the price of a fat ox at 16s; a cow at 12s; a fat hog 3s 4d; a sheep 1s 2d; a couple of chickens 1d; a goose 2½d, and eggs ½d per dozen. Arable land in Kent let from 3d to 6d per acre; pasture at 1d; and meadow at 4d to 10d."

In the middle of the fourteenth century, wine was 4d per gallon; wool was 2s per stone (or about 1½d per pound); Kildall cloth 3s 4d to 5s per piece; wheat from 4s to 6s per quarter. In 1500, oats were 2s per quarter, and wheat 6s (oats 3d, and wheat 9d per bushel); ale 2d per gallon; labor 2½d to 3½d per day."

In the reign of Elizabeth, 1558-1603, a house in a country town let for 4s or 6s per annum; and the purchase was £5 to £6; wheat was 1s

* As Muhlhall says: "It would be monstrous if prices remained the same in spite of cheapened transport, improved machinery, and all the efforts of scientific progress."

a bushel; malt and oats 7d; an ox 26s, and a fat sheep 2s 10d; claret 2½d, and red port 3d a quart. Labor 4d to 6d a day."

The above prices are taken from an old work entitled "A Million of Facts," by Sir Richard Phillips, published in 1833. It will be observed by noting the dates of those quotations in connection with the prices, that with the progress of time, there is an evident appreciation of prices of both commodities and labor. This appreciation is, in part, real, showing the lessening value of the money metals; and in part, only, apparent, owing to the lessening of weight of the coin, as will be explained further on.

Historic records of the continent of Europe are less clear than those of England, as to comparative prices, owing to the uncertainty of weights and measures, and the frequent changes in weight of the coins which continue to bear the same names. Mr. Jacob, in his "Inquiry into the Production and Consumption of the Precious Metals," published about 1831, has given us some facts from which I extract the following.

By an ordinance of Charlemagne, at Frankfort, in 794, at a time of threatened famine, it was decreed that the maximum price which might be charged for a weight, equivalent to thirty-six pounds of wheat bread, shall be one denier — the equivalent of three pence sterling, or six cents U. S. currency of present time. It is also stated that the king himself sold the produce of his own lands at one-third less price, or at the rate of four cents for thirty-six pounds of bread. The maximum price is equal to six pounds wheat bread for one cent. The king's price is equal to nine pounds for a cent. Jacob, vol. I, pp. 318-19.

In the year 1337, each of three chaplains, who did daily duty in the church of the Templars, received a yearly salary equal to £8 sterling, or of \$40 of our present currency.

In Alsace, at the end of the tenth century, wheat bore the price of seven pennings per scheffel, which is about equal to the English bushel of sixty pounds. About the middle of the thirteenth century, the scheffel of wheat sold for twenty-four pennings. Jacob describes the pennings as of value somewhat less than a farthing sterling of his time; or less than half a cent.

In the construction of the Strasburgh cathedral, about the eleventh or twelfth century, it is recorded that the masons employed were paid one and a half to two pennings daily.

At the building of the great bridge of Dresden, in the thirteenth century, the laborers were paid two pennings; or less than one cent daily as wages.

In the year 1363, a statute of Edward III, of England, provided that no man shall give to a parish priest more than ten pounds a year, or else his board and lodging and four pounds a year.

By this it seems that the yearly board and lodging of a parish priest was counted at six pounds. At that date the pound sterling contained about twice and one-third the weight of silver it now contains, which would make the salary of the parish priest equal £23, or \$116 of present currency; and his annual board about \$70.

Bishop Fleetwood, speaking of the year 1439, claims that a clergyman could maintain himself respectably for ten pounds a year. This sum, as the coinage stood at that date, is equal to a little less than \$100, gold value of to-day. If rendered into the equivalent of silver bullion, it is only \$75.

In 1470, English cruisers seized seven Spanish ships loaded with merchandise for Flanders. Their owners demanded redress of the king, and presented a sworn statement of the burden and value of the ships, including their stores and provisions. The list makes the average tonnage of the seven ships something over ninety-five tons each, and their value £114 each, which would be equivalent to £175 of the present currency of Great Britain, or \$875 each ship. We may feel reasonably assured that, under the circumstances, the owners did not intend to undervalue the ships.*

The English statutes, in early times, fixed the price of labor and of staple commodities. "In 1352 it was provided that in hay-making none should pay above one penny a day, and that for threshing of one quarter of wheat or rye, none should pay above 2d a day; and for threshing of a quarter of oats, barley, peas and beans, about 1 1-2d; that a master-carpenter shall have four pence, another carpenter 2d a day; a master-freemason but 4d, a tyler 3d; but either of their servants a penny half-penny. All this in summer-time, for in winter, wages lessened, and without meat or drink, or any other courtesie; and in the country, where wheat was wont to be given, they shall take for the bushel ten pence, or wheat, at the will of the giver."

"In the twelfth year of Richard II (1389), those rates did still continue, but there was further added, likewise, a yearly rate for servants' wages; and there was allowed by the year, for a bailiff of husbandry, 13s 4d, with a livery. A master-lind was rated at 10s; a shepherd at 10s; an ox-herd at 6s 8d; a cow-herd at 6s; a driver of the plough at 7s, at the most; and all these but the bailiff, without cloathing or other courtesie.

"In the sixth year of Henry VI (1438), the price of things growing higher by reason of the raising of moneys, it was provided by statute that the justice of the peace might rate as well the hire of day-laborers as the wages of servants, as they should find fit in sessions, notwithstanding the former statute of 25 Edward (1352), and 12 of Richard II (1389), notwithstanding the money had been raised not above the sixth part, which I attribute to the great want of servants and laborers, the kingdom being then exceedingly exhausted by the long continuance of the wars in France.

"In the 11th of Henry VII (1496), there was a new statute for the rating of servants' wages and the hire of day-laborers. By this statute the meat and drink of the day-laborer is valued at 2d.

"A statute of 15th of King James I (1609), rates the threshing a quarter of wheat at 18d; barley 10d; beans and peas 9d; the hire of a man a day for hay making 10d; a woman 8d; master carpenters and tyler's 20d a day; the second sort of the said workmen 16d a day; and laborers of the best sort at 12d a day; of the second sort 10d a day;

* Jacob on the Precious Metals, vol. 1, chap. 12.

a bailiff £3 3s 8d a year, with living; carters £5; the best sort of plough-men, carters or shepherds are rated at £3; the second sort of hinds and all servants in husbandry at £2 6s 8d; a dairy woman 6s. By the said rate in Middlesex the best women servants are rated at 40s a year; the second sort at 33s, and 4d. In Essex the best women are rated at 33s 4d; the second sort at £1 6s 8d. See Vaughan's Coins and Coinage, pp. 107-119.

The author adds: "And if any man shall object, that the present rates will not generally through the whole kingdom hold thus high, though they are thus rated in the parts near adjoining London, it may be answered, that by the old statutes it was provided that in no place any higher rates than those should be given, but they might give less where less in former times had been used to be given."

"But on the other side it may be much more probably objected, that the rates are now greater than they are here set down, because it is not so strictly observed as it should be; whereas when the old statutes were first made, it is probable that the rates were with the largest, and were more strictly observed than they now are." Vaughan, p. 119.

It should be borne in mind that this author wrote his treatise about 1625 or 1630. The statute of King James from which he quotes was the latest statute of the kind then adopted—only some five or ten years previously. He quotes it, and compares it with those of 1352, 1389, 1428 and 1496, to show that the successive "raising of the moneys," from the time—about 1300 A. D., when the "pound sterling" meant the *Tower pound weight of standard silver*; down to his own day, when the *Troy pound*—a weight three-quarters of an ounce heavier than the *Tower pound*—was by statute of Queen Elizabeth in 1591, coined into 62s—making the coinage of silver under that statute just about one-third the weight of the coins which passed under the same designation prior to 1300.

He thinks that general prices up to his times have advanced about six times. He thinks about half of that advance has been by debasement of the coin to one-third the weight of pure silver it formerly contained, and that the value of silver and gold have been depreciated about one-half by the excessive quantities of these metals "come into the kingdom of Spain out of the West and East Indies, within this hundred years or thereabouts," and thence dispersed into other parts of the world, whereby it has come to pass that the value of gold and silver is become more vile and cheap, and generally all things valued by them are rated higher, at double and almost treble as much gold and silver as they were rated in the twenty-fifth year of Edward III (1352), as one scale pressed down doth necessarily make the other rise higher." Vaughan, p. 103-4.

It would not be difficult also to show, did time permit, that during the last two and a half centuries since the close of this recital on prices, the same tendency has been steadily exhibiting itself of a grad-

* That is, the 100 years ending about 1625 or 1630, which means the 100 years or thereabouts since the American continent had been opened to European commerce.

nal out sure, and in the main, steady decline of the value of both gold and silver as measured by the general prices of commodities and service. Since the last statute Vaughan quotes, that of King James I, 1624, there has been no change in the English coinage—a pound or shilling then, expressing precisely the weight of pure metal which they do now. Would not the prices for wages and service prescribed by this statute seem very inadequate compensation for similar service at the present day? Say thirty-two to forty cents per day for skilled mechanics, and twenty cents to twenty-four cents per day for the best common laborers.

The conclusion, therefore, seems irresistible, that with the progress of time and freer intercourse of commerce among the nations of the earth, a gradual, slow, but in the main, steady depreciation of the value of the precious metals has been going on during all modern time. Political economists, whose opinions gain the most general acceptance, estimate that depreciation during the past five or six centuries as equal to from five-sixths to seven-eighths of the value of these metals about the thirteenth and fourteenth centuries of our era. That is, that their present value or purchasing power, is only from one-eighth to one-sixth what it was five or six hundred years ago.

Gold and silver, during all historic time, have performed concurrent and harmonious services as money; varying, as we have seen, in relative value at different times and in different countries; but, on the whole, with about equal acceptance for each, at such relative values. Judging from their use by mankind in all ages, as well as from what we observe in our own time, there would seem a natural adaptableness of the two to serve the wants of mankind *co-ordinately* in the exchanges of commerce. Different nations, at different times, have exhibited a leaning of preference, now for silver and then for gold, as their chief medium of exchange and measure of values. But, as has been before stated, a pretty steady tendency from the earliest historic times to the present is manifested, toward a gradual widening of the difference in value between the two metals.*

During the past ten or fifteen years a great change has been reached in the relations of value of the two metals. Germany having resolved in 1871, to change her monetary standard from silver to gold—establishing a gold monometallic, in place of a silver monometallic currency, as has been before stated, placed a large part of her stock of silver coin on the London market, depressing its current value more than 20 per cent. The result of this action was much beyond the sacrifice of a few millions on the sale of 160 millions value of merchandise. It was the disposal of a commodity under conditions which aimed a fatal blow at its fitness for the chief use which had before given it

*It is gradual widening of the commercial ratio of value between the two metals in any, and probably does indicate a growing preference for gold over silver. M. Foucher, writing more than thirty years ago, says: "When we seek to examine minutely the various monetary changes which have occurred, and to lay hold upon some principle to guide our inquiry, we quickly recognize the fact that the difference in value between gold and silver increases in proportion to the development of civilization and industry. Remarks on Precious Metals, London, 1853, p. 9.

its value. It was even more than this. It was the elimination, so far as one influential nation could accomplish it, of one of two joint and equal factors in the measure of values of the world's commerce. Its effects are felt to the remotest and most obscure corners of the earth, like a taint in the circulation, or a shock to the nervous system in the animal subject.

The result of this action of Germany has awakened the commercial world anew to the study of money and its agency and influence in its affairs. Germany was unconscious, or but half-conscious, of the tremendous tendency of her act. She saw, or thought she saw, in other commercial nations what she herself felt—an appreciation of gold, as more stable and more desirable than silver as the medium of commerce; and having before made the mistake of adopting the sole silver standard, now makes the opposite and equal mistake of adopting the sole gold standard. Her precipitate action was prompted, no doubt, by the suspicion that the difficulties of accomplishing the desired change would be largely aggravated should others take the initiative of discarding silver in favor of gold. England and the United States already had the single gold standard in practical operation; for, as before shown, the legal use of silver with us had been in theory only, while gold was practically our standard, and had been so for forty years.

No doubt the theory of the doctrinaires is true, that a measure of value cannot be constructed out of two commodities, each of which varies in value in relation to the other. No doubt, it is true, that in such case, the real measure for the time being will be the cheaper of the two media, where both are left to unobstructed action, and either are equally freely accepted.

The French school of finance accepts this conclusion as to gold and silver, and boldly bases its coinage upon the equal acceptability of both metals at the fixed relative value by weight of fifteen and one-half of silver to one of gold. The mint is opened to unlimited coinage of both metals to all comers. It freely offers in practical effect and theory, the exchange of all the coin of one metal in the country for an equal value of the other, at this fixed ratio. All the world may come and satisfy its wants of either metal in exchange for the other so far as the stock of either lasts. This is the theory of French monetary policy. The coinage compact of the Latin Union is based upon this theory. It is quite probable that Germany, in originating her late monetary policy, hoped to avail herself of this means of supplying herself with gold in exchange for her silver. If she had formed the policy of adopting the *bi-metallic system*, and purposed to discard sufficient of the silver for that purpose only, doubtless it would have been welcomed, as that action would have placed Germany in entire harmony with the system of France and most other European nations. But with the purpose of the total change to gold alone, it was a menace to that system which she could hardly expect its aid in carrying into effect. The result is what we have seen—the mints of all nations of the western world—Europe and America—indeed of the whole world, except those solely on the silver standard, are closed to silver, for free coinage.

Some of the European writers upon finance have exhibited an ardor in support of the French system of coinage amounting almost to infatuation. M. Garnier, some forty years since, constructed a historical theory, in which he maintains that silver and gold have, during all time, maintained about the ratio of fifteen, or fifteen and one-half to one, and that the French valuation has consequently a law of nature in its support. Most of the French economists adhere with great tenacity to the exact French ratio of fifteen and one-half to one, and exhibit apprehension that the financial universe would be unbalanced, and chaos imminent by a change to any other ratio. At the two late international conferences — 1878 and 1881 — the representatives of France clung to the idea that silver could be rehabilitated as international money, only upon the basis of fifteen and one-half to one. I understand her most trusted financiers still adhere to that view, notwithstanding the commercial ratio of value has widened to over twenty to one.

Meantime a crisis is reached in the world's medium of exchange and measure of value. Commerce and industry hesitate in the doubt as to the future. While the problem is unsolved as to the continued healthful circulation of an equal half of the life-blood of commerce, trade must move feebly, and enterprise halt. The world's traffic must have stability to prosper, and instability in any thing else can be easier endured than in money. Instability in that spreads uncertainty and apprehension into every transaction throughout the intercourse of mankind.

I am profoundly impressed by the study of this subject, that the principle involved in the French bi-metallic policy offers the true solution of the difficulty. Unless the world is prepared to face the risk of the ultimate subsidence of silver from the commerce of the nations, with all which that involves, it seems indispensable that a convention of the commercial nations should agree upon establishing free coinage of both metals at a uniform ratio of value. England has so far declined to enter such an agreement; but England is learning by present experience, what her pride thus far hesitates to acknowledge, that it was French bi-metallicism which made her policy of gold monometallism possible, from 1816 to 1876.

Her present experience with her Indian exchanges and in her dealings with other countries having a silver currency, is fast educating her to the conclusion that she cannot isolate herself from the common interests of the world, without herself being the sufferer.

Meanwhile our own persistence in the coinage of the dollar under the Act of February, 1878, is the fatal obstacle to any settlement of the question. It delays the inevitable crisis which would enforce a decision of the nations whether silver shall or shall not be sustained as a medium of international exchanges. It holds open the hope to the nations of Europe which have decided on a sole gold policy, that by our capacity for blundering and wrong views of the subject, if not from settled policy and design, we may yet find ourselves forced upon the single silver basis, and thus afford them the means of escape from the sacrifices involved in their policy. It is action directly contrary to the

earnest advice of every intelligent friend of bi-metallicism in Europe.* If any international ratio is reached it is highly probable all our mass of silver coinage will have to be recoined. For, if the European ratio of fifteen and one-half is retained, we must recoin; or our stock will slide off to European mints under the stimulus of the three and one-third per cent premium which their ratio establishes for our silver coined at sixteen to one. If any other ratio is established, of course recoinage will be indispensable.

And as to the ratio in case of international agreement: Notwithstanding the almost superstitious attachment of the continental European mind to the fifteen and one-half ratio, it would seem probable some higher ratio must be established in case of any international agreement of any sort. Of course in that case our total coinage must be reminted. In any view we can take of our continuation of the coinage, unless it be solely in the interest of the silver miner, it appears to be an economic and financial blunder.

Up to 1878, all the coinage acts of the United States exhibit great solicitude to conform the relations of our gold and silver coins to the prevailing commercial values of the two metals as bullion. This was the burden of Hamilton's Report in 1791, which Congress adopted in the organization of the mint, and it controlled the coinage legislation of 1834, 1853, and 1873. In the Act of the 28th of February, 1878, we take a new departure, defying the laws of nature and of commerce, in the attempt to set up a *political standard of value*. It is an experiment in a line in which all past human experience affords small hope of success.

The following summary may aid us in fixing in our minds the important points I have aimed to establish:

SUMMARY.

1. Although a great variety of materials has been in the history of the world temporarily used as money, gold and silver are the only materials which have at all times and by all peoples been so used. They would seem therefore to be the natural materials for money.

2. While gold and silver have during all history been used concurrently as money, there seems to have been from the earliest times a gradual widening difference of value between the two metals, exhibiting a depreciation of silver as measured by gold; such relative value beginning in the rude ages by about an even valuation of each metal by weight, and now reaching a preference for gold of more than twenty to one, in silver.

3. With the progress of civilization, the office of money as a *measure of value* has become of much greater importance than its more manifest office, as a medium of exchange. For both uses *stability* is important; for the former it is *indispensable*.

* M. Henri Cernuschi closes a pamphlet entitled, "The great metallic powers," published last autumn, thus — "So long as the bi-metallic treaty proposed in 1881, by the United States and France, is not accepted by England or Germany, not one silver five franc piece should be coined in France, not one silver dollar should be coined in the United States. In no form, under no pretext, should silver currency be increased neither in France nor in the United States."

4. There seems to be exhibited by the silent and mainly unconscious consensus of judgment of the most advanced commercial nations, an appreciation of gold over silver, as the *more stable* measure of value.

5. But, as a large part of the world must use silver as money, the importance that it shall be retained as *international money* is manifest. Its volume is too great to be used merely as subsidiary currency.

6. As the immense mass of debt of the world has been for the most part created when gold and silver were equally money, there would seem to be justice in the claim that neither should be eliminated from the common money of the world, for the payment of these debts.

7. It is also claimed, and with much force of reason, that the oscillatory measure of value created by the free exchange among the nations of gold for silver, or silver for gold, at a fixed ratio of value, creates a measure of the general values of commerce more stable than either gold alone, or silver alone, can be. The theory is that the base is broader—a larger volume of value in the materials of money as the measure of value; and that not unfrequently, conditions which tend to depress the commercial value of one of the metals elevates the other, and *vice versa*.

8. The theory of the monometallists is that half the world may use gold and the other half will prefer silver as the money of commerce. But if this condition is realized, the world goes back to barter in international commerce. It is a relapse toward barbarism. This condition of barter is already illustrated in the relations of the Indian exchanges with England.

9. While facts fail to prove the claim of the extreme advocates of the continued coinage of the silver dollar in our country, that the wide and widening difference in the value of gold and silver arises from an appreciation of gold, and not from the depreciation of silver; yet there is great reason to fear that the elimination of silver from the world's money, would cause great derangement of all the values of commerce; retard greatly the productive industries of mankind; and, for a period, longer or shorter, turn backward the dial of civilization.

10. Facts of history seem to sustain the opinion that the purchasing power, or actual value of the money metals—gold and silver—have been through the past five or six centuries, slowly but steadily depreciating in value, and that this depreciation is still going on. The cause of such depreciation seems to be more the extension of credit; national debts, and the use of bills of exchange; banks, bank-checks, and bank-notes, and clearing houses, than the increase in quantity of the precious metals as instruments of exchange. This depreciating tendency has been much more rapid during the past two centuries, since the invention of national debts, than previously. All inventions to economize the use of coin in settling the exchanges of commerce tend to depreciation of the value of gold and silver. The measure of this depreciation is estimated at five-sixths to seven-eighths of their value six centuries ago.*

*Fawcett says: "Money in the time of Charlemagne, A. D. 768 to 814, possessed a power eleven times greater than at present." Remarks on Precious Metals, p. 8.

11. Desirable as the retention of silver as an equal factor with gold in the world's money is, we seem to have reached a point at which a concurrence of the chief commercial nations as to a common ratio of value with gold, at which it will be maintained by each, is an indispensable condition to that result.

12. Our persistence in the coinage of the silver dollar at a ratio not in accord with Europe, and against the earnest advice of her most experienced bi-metallists, tends to delay and to defeat this most desirable consummation.

13. We were told, in 1878, in the debates upon the coinage bill, that its passage would promptly restore silver to its former value with gold. The commercial value of the silver bullion contained in the silver dollar was then ninety-two cents. After eight years persistence in the coinage, it is now but seventy-six cents, and it is still falling.

CONCLUSION.

With the attempt at some research, and the application of earnest thought to this subject, I count myself still but a learner. It is too broad a question to be disposed of by dogmatic assertion. It becomes us to hold our opinions with modesty, and subject to modification from further light—as the French say, "to hold the attitude of expectancy." But upon two points it appears to me we are justified in taking a stand. *First*—that what God and nature have joined together as money metals in the transactions of mankind through all history, it must be eminently unsafe, and probably seriously detrimental for man to put asunder; and *second*—that this government, whose stable foundations rest alone in righteousness and justice, cannot afford to persist in the purchase of seventy-six cents' worth of any metal, and after fixing its impress upon it, force it upon its creditors for a dollar.

APPENDIX.

A.

Mulhall attributes the depreciation in silver not to over production, but to the decline in its use for plate and ornament — electro plate having largely superseded it. As proof he cites the official returns of Great Britain, which show an annual average of 1,091,000 ounces stamped for plate in the thirty years 1821 to 50, and only 790,000 ounces in the decade ending 1880. Page. 11.

The world's stock of gold and silver in 1850 and in 1885, in tons, and in pounds sterling, was as follows, viz.:

	Tons, gold.	Silver.
1850	4,550	148,000
1885	10,760	201,000

	Gold.	Silver.
1850	£630,000,000	£1,350,000,000
1885	1,504,000,000	1,550,000,000

The present commercial value of silver bullion would reduce the world's stock to a less sum in value than it stood at in 1850, more than neutralizing the entire production of thirty-five years.

B.

From 1850 to 1885, the world's stock of gold increased 138 per cent. while the stock of silver increased but thirty-five per cent.

The stock of uncoined gold increased eighty per cent, while the stock of uncoined silver actually decreased about one per cent, or \$50,000,000.

In 1850 the world's stock of silver was thirty-two times that of gold by weight; in 1885 it is but nineteen times only.

The stock of coined gold increased 259 per cent, while that of coined silver increased only sixty-eight per cent. Mulhall Prices, pp. 11, 12.

Since 1860 India and China have absorbed more than the total product of the silver mines of the world. *Ib.*, pp. 15, 17.

All these seem settled facts, and yet it is silver which has fallen in value.

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